

REVISOR'S NOTE: This section is new language derived without substantive change from the second sentence of former Art. 81, § 295.

The former reference to "associations" is deleted as included in the defined term "corporation[s]".

Defined terms: "Corporation" § 10-101
"Income tax" § 1-101

10-812. SAME -- EXEMPT CORPORATIONS.

A CORPORATION EXEMPT FROM INCOME TAX UNDER § 10-104 OF THIS TITLE SHALL FILE AN INCOME TAX RETURN IF THE CORPORATION:

(1) HAS UNRELATED BUSINESS TAXABLE INCOME, AS DEFINED UNDER § 512 OF THE INTERNAL REVENUE CODE; OR

(2) IS EXEMPT FROM TAXATION UNDER § 501(C)(2) OF THE INTERNAL REVENUE CODE.

REVISOR'S NOTE: Item (1) of this section is new language added to state expressly that a nonprofit corporation that has Maryland unrelated business taxable income must file a return.

Item (2) of this section is new language derived without substantive change from the first clause of the third sentence of former Art. 81, § 295.

In the introductory language of this section, the reference to "§ 10-104 of this title" is substituted for the former reference to "§ 288(d) of this subtitle". Although the reference to "§ 10-104" includes entities that are exempt under former Art. 81, §§ 12G-12(a), 312(c), 314(a), and 315, the substitution is nonsubstantive since these entities either are not corporations or do not meet the criteria under items (1) and (2) of this section.

Also in the introductory language of this section, the former reference to an "association" is deleted as included in the defined term "corporation".

Also in the introductory language of this section, the former specific requirements of the return are deleted as unnecessary in light of § 2-104 of this article.

In item (2) of this section, the reference to a corporation that is "exempt under § 501(c)(2) of the Internal Revenue Code" is substituted for the former reference to a corporation "organized or operated for the exclusive purpose of holding title to property and collecting income therefrom and turning said income